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16 June 1954

MEMORANDUM FOR: Inspector General

SUBJECT : Survey of ORR

REFERENCE : Memorandum from AD/RR, same subject, dated
14 June 1954

1. My preliminary reaction to the report is that it is generally soundly based and has focused attention in a relatively well balanced manner on the principal problems that confronted ORR during the past year.

2. I have read over AD/RR's comments and without endorsing them in detail believe they are sound and should be forwarded to DCI along with the report.

3. I do think it somewhat unfortunate that the survey does not comment favorably upon some of ORR's outstanding achievements during the year such as producing the first worthwhile comprehensive survey of Communist China's economy, and the high quality and quantity output of the Geographic Division. Though a mere "no comment" implies a favorable finding, it hardly constitutes a pat on the back that I feel certain individuals and subdivisions of ORR have richly earned.

4. From my personal knowledge I would like to offer the following specific comments on your numbered conclusions and recommendations as supplementary to the points made by AD/RR.

(1) ORR industrial reports are meant to be definitive and necessarily, therefore, contain a wealth of detail that will only be of interest to those engaged in intensive research or cognate topics. All concerned are aware of the need to prevent unprofitable expenditures of effort on trivia.

(3) A general deputy for AD/RR would seem to me superfluous. I operated without such and for most of my tenure without a Chief of Economic Research. [REDACTED] should possibly provide better staff support to Dr. Cuthe in this regard. I am certain that [REDACTED] adequately support him with respect to their areas.

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(4) Criticisms unfortunately are justified but are believed to be more pertinent to the latter part of 1953 than to the present. I have had many personal talks with all concerned in an effort to stimulate improvement in this regard.

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(5) Of all the conclusions and recommendations, I am in sharpest disagreement with this one. Under [REDACTED] ORR did not engage at all in current support activities. Beginning on a modest basis in 1952 and continually growing and improving in quality this mission has been developed from scratch and is now approaching a standard of adequacy which cannot be exceeded unless the primary mission of ORR — comprehensive research in depth and support of national estimates — is to be impaired. I personally read every Current Support Memorandum that is issued and have been far more concerned by OGI's parochial reluctance to utilize ORR's contributions than with any shortcomings therein.

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(7) I doubt if any office in the Agency has done more on its own initiative to create and conduct training than has ORR. I agree that it still has a long way to go and believe that with the assignment of [REDACTED] to O/TR better use will be made of the training resources of the Agency on behalf of analysts generally, particularly technicians in OSI and ORR.

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(8) With the restoration of two [REDACTED] and satisfactory arrangements for Washington-based collection in [REDACTED] I believe the problem of map procurement is now satisfactorily in hand.

Last paragraph, page 5: I would like to see the evidence on this because I believe ORR's record has been exceptionally creditable in this regard, e.g., the only two senior personnel to return to Washington during the period under review have both been given positions as division chiefs.

Techniques and Methods Division, pages 11 and 12: In comparison with what it would amount to in time of general war or even renewal of Korea scale fighting, D/T is little more than a minor cadre-type operation as of now. Its size should and will be carefully examined to be sure that it is justified by a combination of value of current production (e.g., MIG report issued last February), need for further development of analytical techniques, and maintenance of a cadre capable of rapid expansion in event of hostilities.

5. The question of the proper size for ORR's economic area is a very difficult one which cannot be dealt with except in the context of a community-wide effort to develop economic intelligence on Soviet Bloc. A clarification of responsibilities as between OIR State and ORR has been made by the DCI orally and will be represented in a DCID shortly. The similar resolution of the relationships with the Air Targets Division of AFOIN is in the preliminary exploration stage. Moreover, there are indications that ORR's support to NSA's plain text effort may have to be substantially expanded in the immediate future if a valuable source is not to be left unexploited.

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This problem is now being studied by an ad hoc group including representatives of NSA, OGI, and ORR. The fact that the Economic Section's T/O has been cut in the past year and a half from 644 to 490 is solid evidence that all of us concerned are endeavoring to press wherever possible.

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ROBERT ANDERSON, JR.
Deputy Director/Intelligence

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